



BUREAU OF GAMBLING CONTROL
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October 31, 2022

Josh Rosenstein, Legislative and Regulatory Specialist
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833

RE: CGCC-GCA-2022-04-R
Incident Reporting

Dear Josh Rosenstein:

The Department of Justice, Bureau of Gambling Control (Bureau) has reviewed the California Gambling Control Commission's (Commission) draft regulations, which were routed on September 16, 2022, regarding Incident Reporting Requirements. We respectfully submit the following comments for consideration. Proposed modifications to the regulatory text are indicated with an underline or by strikeout.

California Code of Regulations, Title 4, Chapter 3. Conditions of Operations for TPPPS Businesses, Section 12282 – Incident Reports

Subject: Subdivision (c); TPPPS Endorsee Licensee / Employee Type Licensee Arrest

As currently drafted, subdivision (c) does not address any circumstances surrounding an arrest of a TPPPS endorsee licensee / employee type licensee. The Bureau recommends amending language in subdivision (c) to clarify whether an incident report should be filed within five days of receiving an arrest report from law enforcement or obtaining information that an arrest occurred.

California Code of Regulations, Title 4, Chapter 3. Conditions of Operations for TPPPS Businesses, Section 12395 – Security

Subject: Subdivision (a)(3); Incident Report Form [CGCC-CH7-08]

As written, the proposed incident report form does not provide TPPPS business licensees the opportunity to submit additional documentation if information from a law enforcement agency is limited. The Bureau proposes to add the following section:

"Section 8 9: Declaration"

Section 8: Optional Items

NOTE: Please list any additional documentation in connection with the incident. Additional information is voluntary and may include, but is not limited to, security reports and / or a supplemental narrative. Failure to provide any supporting documentation may delay the investigation of your incident."

This amendment will assist the Bureau in identifying any additional information during the investigation of an incident.

Subject: Subdivision (a)(3)(G); Theft of Value Exceeding \$500 in Chips

The Bureau proposes to amend the following language for consistency with statute: Any theft of ~~\$500 or more in chips~~ valued at an amount consistent with the dollar amount provided in subdivision (a) of Penal Code section 487.

Subject: Subdivision (a)(3)(H); Value Exceeding \$500 in Counterfeit Currency and /or Chips (24 hour-period)

The Bureau is suggesting the following language for consistency with statute: Any discovery of ~~\$500 or more in chips in a 24 hour period~~; counterfeit currency and / or chips in a 24 hour period, and valued at an amount consistent with the dollar amount provided in subdivision (a) of Penal Code section 487.

Subject: Subdivision (a)(3)(I); Value Exceeding \$500 in counterfeit currency or chips (2 week-period)

The Bureau proposes to amend the following language for consistency with statute: Any discovery of ~~\$500 or more in counterfeit currency and/or chips~~ cumulatively linked to a specific individual or group of individuals over a two week period. The counterfeit currency and / or chips shall be valued at an amount consistent with the dollar amount provided in subdivision (a) of Penal Code section 487.

Subject: Subdivision (a)(5); Notification of Suspicious Activity Report

The Financial Crimes Enforcement Network (FinCEN) allows the Bureau to conduct a review of reports associated with suspicious activities. Requiring a cardroom to submit a copy of a suspicious activity report would be duplicative of information that is already collected by the Bureau. Therefore, subdivision (a)(5) should be repealed.

~~Subdivision (a)(5) Within five business days of filing a Title 31 Suspicious Activity Report with the Financial Crimes Enforcement Network (FinCEN), the cardroom business licensee must submit an "Incident Report Form," CGCC-CH7-08, and provide a copy of the Title 31 Suspicious Activity Report to the Bureau". Upon the request by the Bureau, the cardroom business licensee must provide any transactions and documents upon which the Title 31 Suspicious Activity Report was based.~~

Thank you for considering our comments. Please contact Andreia McMillen at Andreia.McMillen@dca.ca.gov if you have any questions.

Sincerely,



YOLANDA MORROW
Bureau Director

For ROB BONTA
Attorney General

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October 31, 2022

Paula D. LaBrie, Chair
Eric C. Heins, Edward Yee
Cathleen Galgiani & William Liu, Commissioners
CALIFORNIA GAMBLING CONTROL COMMISSION
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833

Re: Incident Reporting Regulations.

Dear Chair La Brie and Commissioners:

Thank you for circulating the proposed incident reporting regulations dated July 28, 2022. On behalf of the California Grand Casino and Oaks Card Club, we support the adoption of regulation changes with the suggestions below.

Discussion

In January 2017, I wrote to the Commission and requested that the incident reporting rules be reformed because 70% of reports were being filed for trivial matters, such as the petty theft of a food item, or discovery of a small counterfeit bill. These are the type of reports that we do not expect the Bureau to investigate. At the same time, other more serious matters that might trigger a Bureau investigation or review were not required to be reported.

We appreciate that those changes are being made. We have the following specific suggestions on other provisions.

I. SAR Reporting: the need for a Secure Transmission Portal and Legal Authorization.
§12395 (a)(5).

A. Secure Filing.

This section requires that copies of Suspicious Activity Reports (SARs) filed by cardrooms with the Financial Crimes Enforcement Network (FinCEN) also be filed with the Bureau. Before a final regulation is adopted, the Bureau needs to confirm that these reports can be transmitted in a secure fashion, or the regulation needs to be conditioned on the functioning of a secure reporting system.

SARs are considered highly confidential and disclosure of a SAR is a federal crime. Both civil and criminal penalties may be imposed for SAR disclosure violations. Violations may be enforced through civil penalties of up to \$100,000 for each violation and criminal penalties of up to \$250,000 and/or imprisonment not to exceed five years. 31 U.S.C. 5318(g)(2); <https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2010-a014>

For that reason, reports of this type have to be filed in a secure manner. The FinCEN SAR reporting system uses a secure portal for uploading SAR reports to FinCEN.

To our knowledge the Bureau does not currently have a similarly secure system. Bureau incident reports are filed by ordinary email, which does not suffice for this purpose. The filing of SARs with the Bureau must be conditioned on the Bureau using a secure portal to ensure the confidentiality required by federal law.

B. Legal Authority.

Per the August 23, 2021 industry comments and the discussion at that hearing, a clear written statement of the regulatory authority for this provision under the Gambling Control Act is needed, together with a statement that this provision complies with FINCEN regulations.

C. The need for updated information on both issues.

At the August 23, 2021 hearing (5.05 time stamp), Commissioners La Brie and Liu both stated that they thought legal confirmation to support the regulation was needed. Commissioner Heins commented on the need for confidentiality for reports.

The Bureau stated at the hearing that it had received *verbal* confirmation from FINCEN regarding the direct sharing of SARs between cardrooms and the Bureau, and stated that it "understood" the industry request for written confirmation.

But no mention of either issue is in the rule-making materials that accompanied this new text.

To address both problems, at the August 23 hearing, the Commission voted to include as an alternative option: having licensees instead notify the Bureau of the filing of the SAR with the document control number ("DCN") assigned by FINCEN for the SAR, which would allow the department to get the SAR directly from FINCEN. (5.43:21 time stamp.) In that case, a legal opinion is not needed, and this also solves the problem of not having a secure portal.

But the July 28, 2022 draft regulation does not have this option.

II. Server Room Access.

Section 12395 (B) regarding server room access represents a compromise between different points of view. My view remains as stated at the August 31, 2021 hearing.

(1) Because smaller cardrooms have fewer assets on site, the risk of an attack on the surveillance system as part of a crime is *de minimis*. Smaller cardrooms also face more staffing issues. Some small cardrooms are really bars with card tables where the games do not start until 6 pm and work permit holders and key employees may not even be on site before 6 pm. They do not have a server room. Their video storage devices may be in a storage room or office that also has bar supplies.

(2) *For all cardrooms*, if the persons hired to maintain the surveillance system are in the server room, we are not going to know if they are doing something wrong because it will just look like they are doing their work. While there was universal acknowledgement at the August 23, 2021 hearing that this is true, there was concern raised by Commissioner Yee that service persons if unattended could access other areas off the gaming floor. This should be addressed in a modification to the text.

Subsection (B) should be modified to read:

(B) For Tier III - V cardrooms, access to any room used for the media storage for the surveillance system, pursuant to Section 12396, must be limited to authorized cardroom category licensees and holders of a local work permit only in the performance of their duties, persons responsible for the maintenance of the surveillance system if they do not have access to any other non public areas where an escort would otherwise be required under subsection (A), or other person(s) either if escorted and observed at all times by an authorized cardroom category licensee or holder of a local work permit in person, or observed or reviewed by a cardroom category licensee or holder of a local work permit using a continuous surveillance system.

III. Gambling Equipment.

Regulation 12360(b) defines "gambling equipment" broadly to be "any equipment, devices, or supplies used or intended for use in the play of any controlled game, and includes, but is not limited to, playing cards, tiles, dice, dice cups, card shufflers, and gaming tables."

I agree with Mr. Titus' comments at the August 23, 2021 hearing that *for the purpose of proposed regulation 12395(a)(1)(A)* requiring escorting persons in rooms where there is gambling equipment not stored in locked compartments, gambling equipment should not include items not subject to tampering or related to game outcomes, such as table felts, plastic chip trays and the various printed buttons used on the table ("lammers"). This is why the proposed section already contains an exception for gaming tables.

Where subsection (A) excludes gaming tables, we should add "table felts, chip trays and lammers."

IV. Denial of a Local Work Permit.

I agree with Mr. Titus that subsection (a)(8) should refer to the Gambling Control Act sections 19857 (a) and (b) and 19859 (a)-(g).

Thank you for your consideration of these comments.

Sincerely,

/s/

David M. Fried

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November 1, 2022

Mr. Josh Rosenstein
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833

Re: Incident Report Regulations
GCA-2022-04-R

Dear Mr. Rosenstein:

I write on behalf of Artichoke Joe's with comments on the proposed formal rulemaking amendments to the Incident Report regulations which were circulated on September 16, 2022. Comments on specific regulations follow.

§12282(a). Incident Reports [by TPPPS businesses]

This regulation would require TPPPS business licensees to file incident reports but would impose two limitations. The reporting requirement would apply only to incidents (1) that occur within a space under control by the TPPPS business license and (2) that involve a TPPPS licensee, employee etc. These limitations are inconsistent with the stated goals. For example, what if TPPPS game chips are stolen out of the TPPPS storage area by someone other than a TPPPS employee? Because it is not by an employee, the TPPPS will not be required to file an incident report. Second example: what if a TPPPS employee pockets chips at a table? The TPPPS might determine their chips are missing, but because this is not a space under the TPPPS control, the TPPPS would not be required to submit an incident report. If the cardroom is unaware of these incidents, they never will be reported.

§12395. Security

(a)(1) Introduction

A short qualifier is added to the beginning of this paragraph ("Unless otherwise allowed by statute or regulation..."), and I am unaware why this is

necessary. Is there a statute or regulation that provides otherwise? The Initial Statement of Reasons (the "ISOR") does not address this phrase. If the language is not necessary, inclusion would be contrary to Govt. Code §11349.1(a)(1).

(a)(1)(A) Limiting access to certain areas

This regulation would require the cardroom to limit access to non-public areas of the gambling establishment which hold "currency or unsecured gambling equipment." The phrase "gambling equipment" is overbroad. The phrase is broadly defined in Reg. 12360(b)(8) as "any equipment, devices, or supplies used or intended for use in the play of any controlled game, and includes, but is not limited to, playing cards, tiles, dice, dice cups, card shufflers, and gaming tables." This definition includes gambling equipment which does not need to be secured to protect the integrity of the games or the financial health of the business, such as felts for the tables, empty chip racks, empty dice cups, and lammers (buttons used on the tables for various purposes). The ISOR does not state the reason for the rule or for why *all* gambling equipment needs to be secured. If there are no reasons for keeping gambling equipment secure other than those expressed above, the regulation is not necessary and should be limited either to identify the specific equipment that must be secured, for example, playing cards, tiles, dice, and shuffle machines, or should state the principles which govern identification of the equipment that needs to be secured.

(a)(1)(B) Limiting access to room for media storage for surveillance

This regulation would limit access to the room used for the media storage for surveillance and would require that persons who are not owners or workers either be escorted and observed at all times by an owner, key employee or work permit holder or be "observed or reviewed" by an owner, key employee or work permit holder. Artichoke Joe's uses a digital system, and a software vendor periodically updates the surveillance servers and has to be in the server room for hours or even days. The programming of the digital surveillance system is extremely technical, and someone observing the programmer would not know if the person is programming malicious software into the system. Nor would other contractors who might have reason to be in the room have any ability to tamper with this highly technical equipment. For these reasons, where a system is digital and that is all that is in the room, the only regulation needed is to require outside workers to be escorted or watched when they are coming or going from the room.

(a)(3) Incident Reports

This regulation would be amended in a number of significant respects. The standard for when a cardroom is required to file an incident report is changed, and there are many changes to the actual incidents that require reporting. We comment on both subjects.

Reporting Standard

The amendment would change the standard for when a cardroom is required to file an incident report. Currently, the regulation requires an incident report to be filed when the police are called regarding a reasonably suspected violation of certain laws and regulations or when the police are not called but the owner or key employee obtains knowledge of "any reasonably suspected violation" of those laws or regulations. The standard is very straight-forward.

The new language requires filing upon "obtaining evidence that a reasonably suspected incident occurred." This language introduces new elements, is not grammatical, is not straight-forward, and is not clear.

The term "obtaining evidence" creates much confusion. Does receiving a report from a customer constitute obtaining evidence? The phrase "obtaining evidence" implies an investigation, but there is no explicit regulation that requires investigation. Currently, if the police are called, an incident report is filed. Under the proposed language, if the only evidence is the report from the customer is an incident report required? It is not clear.

Next, the definition of "incident" is very broad, and as used in the first sentence of the paragraph, the term "incident" is not limited to the incidents identified later in the regulation. The last sentence of the paragraph attempts to impose that limit, but the two sentences should be combined for clarity.

Next, the phrase "reasonably suspected" in the proposed language modifies incident, but that makes little sense. Instead it should modify violation as the current regulation does.

Next, the proposed language does not make clear whose knowledge of the incident triggers the reporting. The current regulation requires reporting only if an owner licensee or key employee has knowledge of the incident. The proposed

language does not identify whose acquisition of evidence triggers the reporting requirement. For clarity, this needs to be set out.

Last, the last sentence attempts to lead into the paragraphs that follow. It reads, "The reasonably suspected incidents that must be reported are any of the following...." This is followed by a list, but the list contains two types of events, ones that are reasonably suspected violations of some law, and ones that are not reasonably suspected violations of some law but are of other concern. This does not read clearly, and we suggest that the list be divided, with one subparagraph for reasonably suspected violations of law and separate subparagraphs for other incidents. We enclose suggested alternative language.

Incidents Covered

Subparagraphs (a)(3)(A) through (a)(3)(K) identify incidents that must be reported. We have comments on some specific subparagraphs.

(a)(3)(D) Property Loss Incident

Subparagraph (D) changes current requirements to file reports on grand thefts, petty thefts and embezzlement. This new section would require filing a report involving a loss valued at an amount constituting grand theft. The ISOR states that this avoids the need for a layperson to determine how a specific crime is being charged. However, the new language requires the cardroom to determine the value of an item, and that is just as hard as determining how an alleged crime is being charged. To determine how the incident is being charged, the cardroom relies on the police. But if a cell phone is stolen, its value could be more or less than the \$950 threshold, and how is the cardroom to determine that? The cell phone owner might not even know.

A second problem with this language is the bare reference to Penal Code §487(a). The reference to the statute without stating the import of the referenced material requires a reader to go to a secondary source to understand the regulation and in this way hides its import. This is unnecessarily burdensome to the reader and can hinder compliance. In order to make the regulation clearer, and to better promote compliance, a summary of the cross-referenced statute should be included.

A third problem with this regulation is that it covers embezzlement, but never identifies that crime by name. In effect, the regulation hides the requirement.

Further, we note that embezzlement is theft by an employee, and under subparagraph (J), the dollar limit being set in this subparagraph will not even apply. So the requirement to report embezzlement at any amount is doubly hidden. For all these reasons, the regulation should leave embezzlement in subparagraph (L), and not hide it in this subparagraph.

(a)(3)(K) Evacuation

Evacuation can result from totally innocuous reasons. A fire or gas leak or a police action in the neighborhood could lead to evacuation. Thus, the proposed language is overbroad and unnecessary. The regulation should be limited to incidents at the gambling establishment itself which leads to evacuation of the gambling establishment.

(a)(3)(L) Miscellaneous list of incidents

This subparagraph would add violations of 14 new sections of the Penal Code, and would cover 24 separate sections. Eight sections being added are crimes of a sexual nature, with the result that twelve of the statutes covered, fully half, are of a sexual nature. Cardrooms have not been associated with sexual crimes, and inclusion of all these is not necessary. But even so, these could be lumped together with language such as "any criminal incident of a sexual nature." We have further comments on six of the sections being added:

Section 266h (pimping a minor). No one under 21 is allowed on the premises. The chances of this ever occurring seem extremely remote, and adding this language seems unnecessary.

Section 266i (pandering a minor). No one under 21 is allowed on the premises. The chances of this ever occurring seem extremely remote, and adding this language seems unnecessary.

Section 288 (lewd and lascivious acts on a child). No one under 21 is allowed on the premises. The chances of this ever occurring seem extremely remote, and adding this language seems unnecessary.

Section 347 (poisoning food or drink). The likelihood of this occurring seems extremely remote. Further, it is not likely this would be

suspected or known, at the time of the incident. Therefore, this is not necessary.

Section 422 (personal threats). This involves threats specifically intended to create a sustained fear of violence. It often is called "terrorist" threat. This type of crime is based not just on the words, but on tone, demeanor, gestures. If someone is drunk, that can play a part in whether the person violated this law. In other words, this type of non-violent incident requires a lot of interpretation and is not the type of crime with which staff should be responsible to identify. Therefore, this should not be included.

(a)(5) Reporting of Filing of SARs

This proposed regulation would require cardrooms to submit to the Bureau copies of Suspicious Activity Reports ("SARs") filed with FinCEN pursuant to the Bank Secrecy Act (the "BSA"). This raises a number of issues.

First, we have been informed by a Bureau agent that the Bureau already obtains from some other source copies of all SARs filed by cardrooms in the state. If that information is true, this regulation would be duplicative and unnecessary.

Second, there is an issue whether under the BSA, cardrooms are allowed to disclose SARs to the Bureau. The BSA contains a general rule prohibiting the disclosure of a SAR (or any information that would reveal the existence of a SAR) 31 CFR 1021.320(e). The BSA contains an exception for law enforcement agencies and another for regulatory agencies, but it is not clear which of these apply to the Bureau, which is mainly a regulatory agency. The BSA allows disclosure to a regulatory authority administering a State law that requires the casino to comply with the Bank Secrecy Act or otherwise authorizes the State authority to ensure that the casino complies with the BSA. However, the ISOR states a different purpose for this regulation. The ISOR provides that this provision is "necessary to assist the Bureau in monitoring potential criminal activity taking place within the [cardroom]." Thus, this regulation is not intended to ensure compliance with the BSA, but to monitor potential criminal activity. The ISOR does not discuss the restriction in federal law or how it applies to the proposed regulation. At the August 23, 2021 workshop regarding these regulations, Commission staff indicated they would look into this issue. However, the issue is not addressed in the ISOR or elsewhere.

Third, the purpose for the regulation has tenuous connection to statutory authority. The ISOR states that the regulation is necessary "to assist the Bureau in monitoring potential criminal activity taking place within the gambling enterprise in order to ensure the public health, welfare and general safety." However, a distinction needs to be made between ensuring public safety by pursuing a criminal and pursuing public safety by closing cardrooms where crime is rampant. While the former would require investigating "potential criminal activity," the Bureau is not charged with that. The Bureau is charged with the latter, but that does not require investigating potential criminal activity. Further, the potential crime rarely turns out to be crime at all. The vast majority of SARs filed with FinCEN do not result in criminal prosecution, let alone conviction.

In this regard, SARs often are filed based on certain formulas. The Multiple Transaction Log is analyzed for transactions within a certain dollar range, and if there are a certain number of transactions within that range, absent a good explanation for the transaction or information relieving suspicions, a SAR will be filed. However, there could be good explanations for the transactions that are unknown to the cardroom. The most common reason the cardroom files a SAR is not because of a suspicion of money laundering, but for suspicion that the transactions are being structured to avoid a CTR. There are various reasons a player might want to avoid CTRs, a major one being an erroneous belief about tax obligations.

SARs are very important law enforcement tools when used by the Federal Government to root out money laundering and criminal activity. While sometimes a single SAR can result in prosecution, our understanding is that more commonly, the Federal Government uses its collection of SARs from a wide swath of financial institutions over a period of time to detect patterns of criminal behavior. The Bureau will not have that body of SARs and would have very limited ability to detect potential criminal activity.

Fourth, the regulation lumps together two very different types of situations. Incident reports elsewhere are used to report on "reasonably suspected violations of law." SARs are used to report on "suspicious transactions." Although the cardroom might find a transaction suspicious, that does not mean it reasonably suspects a violation of law. Those are two very different questions. The Incident Report form refers to "suspects" but this term should not be applied broadly to all customers who are the subject of SARs.

Fifth, when the cardroom has a reasonable suspicion that an incident constitutes criminal behavior, it already files an incident report. Over the last few years, Artichoke Joe's has filed about 40 SARs per year. During that period, twice the SARs related to reasonably suspected violations of law, once for potential loan sharking and the other for potential counterfeiting, and both times the cardroom filed incident reports with the Bureau. So this regulation would be duplicative of existing requirements.

Sixth, this regulation would increase the filing burden by five-fold. Over the past few years, the cardroom has filed about 10 Incident Reports per year. As noted above, the cardroom files about 40 SARs. Even if the number of incident reports decline by one or two a year because of deletion of some crimes from the reporting requirement, the reporting requirement is going to be about 50 reports. The ISOR, under Required Determinations, includes a section on Business Impact, and estimates an industry wide savings for cardrooms of \$515,262. We strongly dispute that. The regulations will quintuple the current work load.

For all these reasons, the proposed paragraph is unnecessary and improper. However, we suggest an alternative: that the Bureau require cardrooms to disclose to the Bureau the receipt of an inquiry from FinCEN about any SAR or any customer, including any subpoena received from FinCEN.

The second sentence in (a)(5) would require the cardroom, upon request by the Bureau to provide "any transactions and documents upon which the [SAR] was based." Anytime the Bureau requires detailed information on cardroom customers, it raises concerns about the customers' privacy as well as Fourth Amendment concerns. In this regard, regulation 12396, regarding surveillance, allows the Bureau to seize surveillance recordings only with the Bureau Chief's consent, and prohibits the Bureau from disclosing the surveillance except to enforce provisions of the GCA or regulations thereunder. This regulation should include similar limits.

(a)(6) Forfeiture of Jackpots

The proposed regulation would require incident reports be filed upon the occurrence of forfeiture of jackpots pursuant to two other regulations, one regarding self-restricted players and the other regarding self-excluded players. However, the regulation just cites the other regulations without any explanation. For the reasons expressed above, the general nature of the statute cross-referenced should be stated.

(a)(9) Denial of Work Permits

This proposed regulation would require an incident report be filed if a local regulator issued any "approval with conditions,..., suspension, or revocation of a license to work in a cardroom by a city or county" or issued a denial pursuant to sections 19912 and 19857 of the GCA. The reference to section 19912 is confusing. Subdivision (b) requires work permit holders to satisfy section 19859 (a) through (g), but none of the other subdivisions require denial of work permits. Therefore, a direct reference to section 19859(a) through (g) rather than a reference to section 19912 would be much clearer. Again this hides the import of the regulation. For the reasons stated above, the general nature of the statute cross-referenced should be stated.

The reason given for the regulation in the Initial Statement of Reasons is that "cardroom owners and key employees receive Commission licenses," and if local jurisdiction takes any action other than issue an approval, the Commission will want to know. That justifies the requirement with respect to owners and key employees but does not justify the regulation with respect to all the other applicants who do not receive licenses from the Commission. Therefore the regulation is broader than necessary and should be limited to local action with respect to owners and key employees.

* * *

As always, we appreciate your consideration of all these comments.

Sincerely,


Alan Titus

Enc.

Alternative Language for 12395(a)(3)

(3) Cardroom business licensees must submit a completed "Incident Report Form" CGCC-CH7-08 (New 8/22), which is attached in Appendix A to this Chapter within five days of the following incidents:

- (A) When any owner category licensee or key employee obtains information that leads them to reasonably suspect that a violation of any of the following has occurred:
 - (1) The Act, this division, Division 3 of Title 11 of the CCR, any statute set forth in sections 330 through 337z of the Penal Code.
 - (2) Section 1916-3(b) of the Civil Code (loan-sharking), or any successor provision.
 - (3) Penal Code sections: *[to be filled in]*
 - (4) Health and Safety Code Section 11012 (distributing a controlled substance)
- (B) Any incident involving a property loss valued at an amount consistent with the dollar amount provided in subdivision (a) of Penal Code section 487, or any successor provision;
- (C) Any incident involving the death of a person;
- (D) Any incident involving the on-site presence of law enforcement in response to a physical injury of a person;
- (E) Any theft of \$500 or more in chips;
- (F) Any discovery of \$500 or more in counterfeit currency and/or chips in a 24 hour period;
- (G) Any discovery of \$500 or more in counterfeit currency and/or chips cumulatively linked to a specific individual or group of individuals over a two week period;
- (H) Any incident identified in subparagraphs (B), (E) or (F), regardless of the dollar amounts, if reasonably suspected of a cardroom category licensee, local work permittee, or TPPPS category licensee;
- (I) Any incident at the gambling establishment which results in the immediate evacuation of the gambling establishment, such as receipt of a bomb threat.